

MONTANA LEGISLATIVE HISTORY

Chapter 566 1993

Bill H 516 S _____

Original bill & history ☒ c

H. Committee on Ag, Live & Irr

Hearing Date(s) h 2/16 _____ c

v 2/17 _____ c

_____ c

_____ c

Date Out _____ c

S. Committee on Ag, Live & Irr

Hearing Date(s) h 3/02 _____ c

3/12 _____ c

+ 2x 2/10 _____ c

h 4/03 _____ c

Did this bill originate in an interim committee? _____ Yes _____ No

Committee _____

Report _____

3/12	3RD READING CONCURRED	48	0
	RETURNED TO HOUSE		
3/16	SIGNED BY SPEAKER		
3/18	SIGNED BY PRESIDENT		
3/20	TRANSMITTED TO GOVERNOR		
3/24	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 165		
	EFFECTIVE DATE: 10/01/93		

HB 514 INTRODUCED BY SCHYE, ET AL.
 FORMALIZE STATE/COUNTY PAYMENT OF SALARIES OF COUNTY
 ASSESSORS AND DEPUTY ASSESSORS

2/06	INTRODUCED
2/06	REFERRED TO APPROPRIATIONS
2/06	FIRST READING
2/06	FISCAL NOTE REQUESTED
2/12	FISCAL NOTE RECEIVED
2/15	FISCAL NOTE PRINTED
3/03	HEARING
3/12	TABLED IN COMMITTEE

HB 515 INTRODUCED BY RUSSELL, ET AL.
 APPROPRIATE MONEY TO FUND TUMOR REGISTRY ACT

2/08	INTRODUCED
2/08	REFERRED TO APPROPRIATIONS
2/08	FIRST READING
2/08	FISCAL NOTE REQUESTED
2/12	FISCAL NOTE RECEIVED
2/13	FISCAL NOTE PRINTED
3/03	HEARING
3/03	TABLED IN COMMITTEE

HB 516 INTRODUCED BY DEBRUYCKER, ET AL.
 ESTABLISH FUNDING FOR MILK INSPECTION AND DIAGNOSTIC
 LABORATORY FUNCTIONS

2/08	INTRODUCED		
2/08	REFERRED TO AGRICULTURE, LIVESTOCK & IRRIGATION		
2/08	FIRST READING		
2/08	FISCAL NOTE REQUESTED		
2/13	FISCAL NOTE RECEIVED		
2/15	FISCAL NOTE PRINTED		
2/16	HEARING		
2/17	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/19	2ND READING PASSED	74	23
2/22	3RD READING PASSED	86	13
	TRANSMITTED TO SENATE		
3/01	FIRST READING		
3/01	REFERRED TO AGRICULTURE, LIVESTOCK & IRRIGATION		
3/08	HEARING		
3/12	COMMITTEE REPORT—BILL CONCURRED		
3/12	TAKEN FROM 2ND READING AND REREFERRED TO TAXATION		
4/03	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/12	2ND READING CONCURRED AS AMENDED	35	11
4/13	3RD READING CONCURRED	34	15
	RETURNED TO HOUSE WITH AMENDMENTS		
4/15	2ND READING AMENDMENTS CONCURRED	96	3

4/16	3RD READING AMENDMENTS CONCURRED	94	4
4/21	SIGNED BY SPEAKER		
4/23	SIGNED BY PRESIDENT		
4/23	TRANSMITTED TO GOVERNOR		
4/28	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 566		
	EFFECTIVE DATE: 07/01/93		

HB 517 INTRODUCED BY HARPER, ET AL.

PROVIDE RETIREMENT INCENTIVE AND ELIGIBILITY WINDOW FOR
CERTAIN EMPLOYEES UNDER PERS

2/08	INTRODUCED		
2/08	REFERRED TO STATE ADMINISTRATION		
2/08	FIRST READING		
2/11	FISCAL NOTE REQUESTED		
2/15	HEARING		
2/16	FISCAL NOTE RECEIVED		
2/17	FISCAL NOTE PRINTED		
2/19	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	2ND READING PASSED	78	19
2/20	TAKEN FROM ENGROSSING AND REREFERRED TO APPROPRIATIONS		
3/13	REVISED FISCAL NOTE RECEIVED		
3/13	REVISED FISCAL NOTE PRINTED		
3/16	COMMITTEE REPORT—BILL PASSED		
3/23	2ND READING PASSED AS AMENDED	90	6
3/24	3RD READING PASSED	92	7
	TRANSMITTED TO SENATE		
3/26	FIRST READING		
3/26	REFERRED TO FINANCE & CLAIMS		
4/03	HEARING		
4/13	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/14	2ND READING CONCURRED AS AMENDED	44	4
4/15	3RD READING CONCURRED	43	5
	RETURNED TO HOUSE WITH AMENDMENTS		
4/16	2ND READING AMENDMENTS CONCURRED	83	15
4/19	3RD READING AMENDMENTS CONCURRED	90	10
4/21	SIGNED BY SPEAKER		
4/22	SIGNED BY PRESIDENT		
4/23	TRANSMITTED TO GOVERNOR		
4/28	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 567		
	EFFECTIVE DATE: 04/28/93		

HB 518 INTRODUCED BY WHALEN, ET AL.

PROHIBIT POLITICAL USE OF HEALTH CARE INFORMATION

2/08	INTRODUCED		
2/08	REFERRED TO JUDICIARY		
2/08	FIRST READING		
2/16	HEARING		
2/19	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	2ND READING PASSED	92	6
2/23	3RD READING PASSED	93	7
	TRANSMITTED TO SENATE		
3/01	FIRST READING		
3/01	REFERRED TO STATE ADMINISTRATION		
3/12	HEARING		
3/12	TABLED IN COMMITTEE		

HOUSE BILL NO. 516

INTRODUCED BY DEBRUYCKER, DEVLIN, KOEHNKE, BECK, MASON,
HIBBARD, HALLIGAN, REA

IN THE HOUSE

FEBRUARY 8, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION. FIRST READING.
FEBRUARY 17, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 18, 1993	PRINTING REPORT.
FEBRUARY 19, 1993	SECOND READING, DO PASS.
FEBRUARY 20, 1993	ENGROSSING REPORT.
FEBRUARY 22, 1993	THIRD READING, PASSED. AYES, 86; NOES, 13.
FEBRUARY 23, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION. FIRST READING.
MARCH 11, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 12, 1993	ON MOTION, REREFERRED TO COMMITTEE ON TAXATION.
APRIL 3, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 12, 1993	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 13, 1993	THIRD READING, CONCURRED IN. AYES, 34; NOES, 15. RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 16, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *516*
2 INTRODUCED BY *Rep. M. J. ...*
3 *Rep. Mason ...*
4 A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING AN ASSESSMENT
5 ON CLASS I MILK TO FUND MILK INSPECTION AND DAIRY RESEARCH;
6 AMENDING SECTION 81-23-202, MCA; AND PROVIDING AN EFFECTIVE
7 DATE AND AN APPLICABILITY DATE."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. Dairy extension program. (1)

11 There is established as a part of the cooperative extension
12 service at Montana state university the dairy extension
13 program. The purpose of the program is to provide dairy
14 extension and dairy herd improvement services to dairy
15 producers in Montana.

16 (2) The dairy extension program is under the general
17 direction of the director of the cooperative extension
18 service, who shall appoint a committee of dairy producers to
19 advise the director in the provision of the services
20 described in subsection (1).

21 (3) The dairy extension program is funded by money
22 deposited in the state special revenue account provided for
23 in 81-23-202(6) and by dairy herd improvement association
24 dues.

25 Section 2. Section 81-23-202, MCA, is amended to read:

1 "81-23-202. Licenses -- disposition of income. (1) A
2 producer, producer-distributor, distributor, or jobber may
3 not engage in the business of producing or selling milk
4 subject to this chapter in this state without first having
5 obtained a license from the department of livestock or, in
6 the case of milk entering this state from another state or
7 foreign nation, without complying with the requirements of
8 the Montana Food, Drug, and Cosmetic Act and without being
9 licensed under this chapter by the department. The annual
10 fee for the license from the department is \$2 and is due
11 before July 1 and shall must be deposited by the department
12 to the credit of the general fund. The license required by
13 this chapter is in addition to any other license required by
14 state law or any municipality of this state. This chapter
15 shall ~~apply~~ applies to every part of the state of Montana.

16 (2) In addition to the annual license fee, the
17 department shall, in each year, before April 1, for the
18 purpose of securing funds to administer and enforce this
19 chapter, levy an assessment upon producers,
20 producer-distributors, and distributors as follows:

21 (a) a fee per hundredweight on the total volume of all
22 milk subject to this chapter produced and sold by a
23 producer-distributor;

24 (b) a fee per hundredweight on the total volume of all
25 milk subject to this chapter sold by a producer;

(c) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a distributor, excepting that which is sold to another distributor.

(3) The department shall adopt rules fixing the amount of each fee. The amounts may not exceed levels sufficient to provide for the administration of this chapter. The fee assessed on a producer or on a distributor may not be more than one-half the fee assessed on a producer-distributor.

(4) In addition to the fees established in subsections (1) through (3), the department shall assess a fee of 18.46 cents per hundredweight on the volume of class I milk produced and sold by a producer to be used for the administration of the milk inspection and milk diagnostic laboratory functions of the department and the dairy extension and dairy herd improvement functions at Montana state university. The board shall include this fee in its formulas for fixing by rule the minimum producer, wholesale, jobber, and retail prices for class I milk in 81-23-302.

(5) The assessment assessments upon producer-distributors, producers, and distributors shall must be paid quarterly before January 15, April 15, July 15, and October 15 of each year. The amount of the assessment assessments shall must be computed by applying the fee designated by the department and the fee established in subsection (4) to the volume of milk sold in the preceding

calendar quarter.

(6) Failure of a producer, producer-distributor, or distributor to pay an assessment when due is a violation of this chapter, and his a license under this chapter automatically terminates and is void. A terminated license so--terminated--shall must be reinstated by the department upon payment of a delinquency fee equal to 30% of the assessment which was due.

(7) All Except for the assessment provided for in subsection (4), all assessments required by this chapter shall must be deposited by the department in the state special revenue fund. All costs of administering this chapter, including the salaries of employees and assistants, per diem and expenses of board members, and all other disbursements necessary to carry out the purpose of this chapter, shall must be paid out of the board control--board moneys money in that fund.

(8) The assessment provided for in subsection (4) must be deposited by the department in an account in the state special revenue fund. Money in the account must be used to carry out the purposes of Title 81, chapter 22, and to fund the state's portion of the dairy extension and dairy herd improvement services provided for in [section 1].

(9) The department may, if it finds the costs of administering and enforcing this chapter can be derived from

1 lower rates, amend its rules to fix the rates at a less
2 amount on or before April 1 in any year."

3 NEW SECTION. **Section 3.** Codification instruction.
4 [Section 1] is intended to be codified as an integral part
5 of Title 20, chapter 25, part 2, and the provisions of Title
6 20, chapter 25, part 2, apply to [section 1].

7 NEW SECTION. **Section 4.** Effective date --
8 applicability. [This act] is effective July 1, 1993. Payment
9 of the assessment in [section 2] begins with the quarterly
10 payment due on October 15, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0516, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION: The bill imposes an assessment on Class I milk to fund milk inspection and dairy research.

ASSUMPTIONS:

1. The Milk Control Bureau of the Department of Commerce will be able to collect the proposed assessments with its current assessment collection process and will not need additional staffing.
2. There will be 200,557,734 pounds of Class I milk produced per year, on which the assessment will be based.
3. The collected assessment will be deposited in a state special revenue fund account for use in the milk inspection program, diagnostic laboratory, and the centralized services of the Department of Livestock and the new dairy extension and herd improvement functions at Montana State University Cooperative Extension Service. Therefore, the assessments will be a pass through arrangement on the part of the Department of Commerce. The assessments will be replacing current general fund revenue supporting Department of Livestock programs.

FISCAL IMPACT:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
Milk Control Bureau - Commerce	270,835	270,835	0	271,782	271,782	0
Milk Inspection - Livestock	187,551	187,551	0	189,069	189,069	0
Diagnostic Lab. - Livestock	85,000	85,000	0	85,000	85,000	0
Centralized Services - Livestock	27,695	27,695	0	27,695	27,695	0
Montana State University	0	70,000	70,000	0	70,000	70,000
Total	571,081	641,081	70,000	573,546	643,546	70,000
<u>Revenues:</u>						
General Fund	300,246	0	(300,246)	301,764	0	(301,764)
State Special Revenue	327,923	698,153	370,230	327,923	698,153	370,230
Total	628,169	698,153	69,984	629,687	698,153	68,466

Net Impact:

General Fund	0	0	0	0	0	0
State Special Revenue	57,088	57,072	(16)	56,141	54,607	(1,534)

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: Reduce general fund by \$370,230 each year and increase state special by a like amount.

David Lewis 2-13-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Roger DeBruycker 2-15-93
ROGER DEBRUYCKER, PRIMARY SPONSOR DATE

Fiscal Note for HB0516, as introduced

HB 516

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By CHAIRMAN VERN KELLER, on February 16, 1993, at 3:00 P.M.

ROLL CALL

Members Present:

Rep. Vern Keller, Chairman (R)
Rep. Joe Barnett, Vice Chairman (R)
Rep. Shiell Anderson (R)
Rep. Bob Bachini (D)
Rep. Jody Bird (D)
Rep. Ervin Davis (D)
Rep. Bill Endy (D)
Rep. Harriet Hayne (R)
Rep. Don Larson (D)
Rep. Gary Mason (R)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Dore Schwinden (D)
Rep. Wilbur Spring (R)
Rep. Wayne Stanford (D)
Rep. Jay Stovall (R)

Members Excused: None

Members Absent: None

Staff Present: Connie Erickson, Legislative Council
Jaelene Racicot, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 564, HB 477, HB 516
Executive Action: HB 213, HB 535, HB 516

HEARING ON HB 564

Opening Statement by Sponsor:

REP. ERNEST BERGSAGEL, HD 17, Malta, stated that HB 564 establishes a fee structure to help operate the commodity dealers licensing program in the Department of Agriculture; 50% of the money will come from the general fund and the other 50% will come

REP. ROSE asked Mr. Shultz if an independent elevator should pay as much as a General Mills elevator. Mr. Shultz responded yes, they should.

REP. BIRD asked Mr. Shultz how he felt about the possibility of having the fees raised to \$1,000. Mr. Shultz said that would be "disturbing to them" and they would oppose any legislation that would accomplish this fee hike. He said if the Department of Agriculture raises the fees from the Grain Elevator Association's proposal of \$232 a year to \$1,000 a year. That would be an increase of \$100,000 per year for all licensed dealers.

REP. SCHWINDEN suggested the proponents be present for executive action on HB 564.

REP. ROSE asked Mr. Johnson what was the position of the Montana Graingrowers on the graduated license fee. Mr. Johnson stated that they did not oppose the amendment the Montana Grain Elevator Association was offering. He said it was an issue the organization needed to work out themselves.

Closing by Sponsor:

REP. BACHINI closed for REP. BERGSAGEL.

HEARING ON HB 516

Opening Statement by Sponsor:

REP. ROGER DEBRUYCKER, HD 13, Floweree, said that because of the poor financial condition of the state, HB 516 places a fee on the Class 1 milk producers in order to fund milk inspection and dairy research.

Proponents' Testimony:

Tim Huls, Montana Dairymen's Association, stated the Association supports HB 516. Mr. Huls submitted testimony from Keith Nye. EXHIBIT 4. Mr. Huls also submitted written testimony. EXHIBITS 5 AND 6.

Larry Kaufman, a Billings dairy farmer and a member of the Montana Dairymen's Association, stated that the dairy industry is considerably large in Montana. There are 200 dairies in the state, in which 24,000 dairy cows are milked. The average dairy cow in Montana produces 14,000 pounds a year. Annually, Montana dairy farmers generate \$40 million in revenue. The dairy industry generates more dollars to producers than the sheep or swine industry. He urged the committee to pass HB 516.

Cork Mortensen, Executive Secretary to the Board of Livestock, submitted written testimony. EXHIBIT 7.

Bob Gilbert, Montana Wool Growers Association and also representing the Montana Stockgrowers Association, stated that this bill will relieve the general fund by taxing the people who will benefit from the inspection service.

Jim Kembel, Department of Commerce Milk Control Bureau, stated the department supports the bill and he would be open to any questions from the committee.

Opponents' Testimony: None

Questions From Committee Members and Responses:

REP. SCHWINDEN asked if the cost of this fee increase would be passed down to the consumer. Jim Kembel said that it, would depend on the retailers. He indicated the departments intention was to pass the cost on to the producers.

REP. BIRD asked Mr. Mortensen why the \$2 from the license fee in the general fund was separate from the 18.46% assessment that would go into the special revenue account. Mr. Mortensen said that they were two different issues. The licensing fee was separate from the assessment.

REP. ROSE asked Mr. Huls why all the milk couldn't be taxed instead of just the milk in the Montana processing plants. Mr. Huls stated that the exported milk leaves the state as Class III milk and usually ends up in cheese. The Milk Control Board fixes the price on Class I sales in Montana. This is where the fees can be recorded and collected.

Closing by Sponsor:

REP. DEBRUYCKER closed.

HEARING ON HB 477

Opening Statement by Sponsor:

REP. STOVALL, HD 98, Billings, stated that HB 477 was to exempt the procedure of floating teeth from the practice of veterinary medicine. He said that floating teeth was a procedure that filed the long points off the teeth of a horse. This procedure enables a horse to grind food properly. He said that the reason for the bill is that floating teeth falls under veterinary dentistry, and it is illegal to float teeth for a fee unless you are a veterinarian.

Proponents' Testimony:

John Uker, Equine Floating, said that floating teeth was a very necessary procedure, but it was not a major procedure. This procedure was essential to the health and welfare of the horse.

EXECUTIVE ACTION ON HB 535

Motion: REP. BARNETT MOVED HB 535 DO PASS AS AMENDED.

Discussion: REP. MASON stated that he could not justify passing this bill for one isolated case. He said if this bill would help the Department of State Lands with problems that they have had, then he would recommend passage of the bill.

REP. ROSE stated that he could not visualize someone putting \$175,000 worth of improvements on land in which he did not have a permanent lease.

REP. BARNETT stated that the Graveley's did have permission from the state to implement this irrigation system.

REP. SPRING asked the committee if this was an isolated case.

Motion/Vote: REP. MASON MADE A SUBSTITUTE MOTION TO TABLE HB 535. The motion carried.

EXECUTIVE ACTION ON HB 516

Motion: REP. DAVIS MOVED HB 516 DO PASS.

Discussion: Ms. Erickson stated that the committee needed to make one clarification amendment which would go on page 3, line 14 and add the words "of Livestock".

Motion/Vote: REP. MASON moved to adopt the amendment. The motion carried unanimously.

Motion: REP. DAVIS MOVED HB 516 DO PASS AS AMENDED.

Discussion: REP. SPRING stated that Montana State University needs this bill.

REP. ROSE asked if the funding was going to from the Livestock Department to Montana State University or was the funding going directly to Montana State University. REP. ROSE stated that he agreed with what they were doing but was concerned with how the funding would be handled.

REP. DAVIS stated that, according to the fiscal note, the Department of Commerce was going to collect the assessments.

Motion/Vote: HB 516 DO PASS AS AMENDED. The motion carried unanimously.

HOUSE STANDING COMMITTEE REPORT

February 17, 1993

Page 1 of 1

Mr. Speaker: We, the committee on Agriculture, Livestock, and Irrigation report that House Bill 516 (first reading copy -- white) do pass as amended .

Signed: _____
Vern Keller, Chair

And, that such amendments read:

1. Page 3, line 14.

Following: "department"

Insert: "of livestock"

Committee Vote:
Yes 14, No 0.

391115SC.Hss



EXHIBIT 4
DATE 2/16/93
HB 516

16 February, 1993

COPY

Representative Vernon Keller, Chairman
Montana House of Representatives
Agriculture, Livestock and Irrigation Committee
Capitol Station
Helena, Montana 59620

Dear House Agriculture, Livestock and Irrigation Committee:

Thank you for the opportunity to present our statement of position on House Bill #516 introduced and carried by Representative Roger DeBruycker and sponsored by the Montana Dairymen's Association.

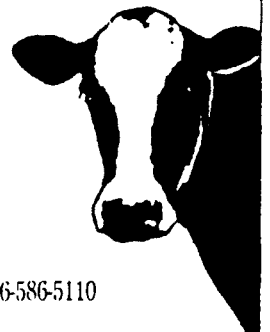
This statement of position represents the opinion our Montana cooperative corporation known as DARIGOLD Farms, headquartered in Bozeman and owned 100% by Montana dairy farmers.

DARIGOLD markets approximately 42% of the fresh cows milk produced in Montana from some 80 Montana dairy farm entities. We believe that HB-516 will provide for the necessary earmarked funding to sustain the dairy industry in Montana at a level necessary to remain certified and in compliance with the "Pasteurized Milk Ordinance" which is mandated and administered by the Food and Drug Administration (FDA) division of United States Department of Agriculture (USDA). This certification compliance is necessary to allow any Montana Grade A milk processing plant or grade A dairy farming unit to have market access for selling milk to Federal agencies such as Malmstrom Air Force Base or selling milk as an export product outside of Montana state boundaries.

The dairy industry generated funds would relieve over 53% of the "General Fund" revenues in the FY 1993 budget for the Department of Livestock. The terminated use of "General Fund" monies is a prerequisite to negate the pressures of maintaining adequate services in Montana to allow the dairy industry to prosper.

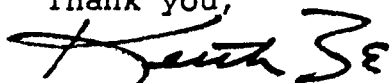
Most other Montana agricultural commodity groups under the Department of Livestock have resorted to internal earmarked funding. The dairy industry administrative funds for the Montana Department of Commerce, Milk Control Bureau, are generated in this manner as well. It seems logical for our industry to become totally internally funded to guarantee we can pass muster with the scrutiny placed upon us by the FDA as more and more testing and regulating will be demanded to safeguard the integrity of milk produced and processed in the United States.

COUNTRY CLASSIC DAIRIES, INC.



DARIGOLD Farms joins Montana Dairymen's Association as a PROPONENT to this important legislative bill which will relieve fiscal pressures from the "General Fund" budget and grant adequate funding authority to an important Montana agricultural industry. DARIGOLD Farms of Montana solicits your support to also act as PROPONENTS to House Bill #516.

Thank you,



Keith Nye, General Manager, CEO
Country Classic Dairies, Inc.
dba DARIGOLD Farms of Montana



September 25 , 1992

SITUATION

During the last decade support from MSU for the Montana Dairy Industry has been eroded as a result of budget adjustments and reorganization within the College of Agriculture. This includes closing the Dairy herd operation at MSU and transfer of the seed stock to the State Prison. Since October of 1991 the support for the Dairy Industry has consisted of a half time position that supports the DHIA program.

As a result of these changes, the dairy industry has been concerned about the lack of readily available educational information. Sources from other states are not readily available and often do not fit our Montana situation.

Dairy Herd Improvement Association (DHIA), an unbiased record keeping system, is used by registered herd owners to prove production records and by national organizations for proving dairy sire potentials. Currently National DHIA requires that all states must meet certain Quality Certification Standards in order to maintain "Official DHI Records." Without someone to manage the program it could mean the loss of "Official" status which would impact the registered dairy herds of Montana greatly, through the devaluing of registered stock. In Montana many non-registered dairy herds use DHIA sires and the DHIA record system for herd management.

To address this situation and the concerns of the industry an ad hoc committee of dairymen, through fact finding effort, have developed the following proposal.

PROPOSAL: MONTANA DAIRY INDUSTRY COUNCIL

The Montana dairy producers need to financially support a program that will provide each dairy farmer with the latest educational information. Such an effort needs to be organized in such a way that all dairy producers have the opportunity to receive some personalized attention as well as general education programs.

OBJECTIVES

Provide funding:

1. To enhance the dairy industry in Montana through education for dairymen and the public.
2. To promote the understanding and implementation of Best Management Practices in the dairy industry.

3. To pursue, develop, and evaluate record-keeping and management systems that will enhance the decision-making processes of the dairy industry.
4. To provide educational support for the maintenance of an active DHIA organization so as to enhance the dairy industry through maintaining quality certification standards for Official record status.

METHOD:

The above objectives will be accomplished by hiring one full time person with support staff who will be responsible to the Dairy industry for conducting all educational efforts that are needed to enhance the viability of the dairy industry. The person hired will be housed at Montana State University and receive administrative support (including office space) from the Department of Animal and Range Sciences.

An advisory board of dairy producers will meet at least four times a year to provide overall direction to the staff person who conducts the educational effort.

The budget will be managed according to the State of Montana accounting and budgetary guidelines. It will be a separate designated account that can only be spent on the dairy education project. Once each year the advisory board will review and approve the budget.

WHAT WILL BE DONE:

1. On-farm educational assistance through evaluation and recommendation of best management practices to enhance the economic well being of the dairy operation. Goal would be to provide individual assistance through on-farm visits to at least 75 farms per year.
2. Set up demonstrations of best management practices on cooperating dairy farms.
3. Educate dairy farmers in the use of DHIA record system to enhance management decisions.
4. Herd health - in cooperation with local veterinarians conduct preventive health care management of the on-farm dairy herd.
5. Cooperate with all organizations within the dairy industry to present workshops that enhance decision-making for dairy operations.
6. Establish and maintain a file of dairy industry specialists and experts so as to be able to quickly draw on needed resources for dairymen.

7. DHIA: Oversee Quality Certification -- Supervisors training, lab qualification, state coordination to processing lab, coordination of local DHI Associations with the state, interface with National DHIA to maintain compliance, and coordinate required check tests of dairies.
8. Maintain and coordinate educational activities in cooperation with MSU County Extension agent in appropriate counties.
9. Maintain liaison with MSU college of Agriculture faculty in specialty areas appropriate to the dairy industry.

FUNDING:

It is proposed that the program be funded at a level to support a Full Time Specialist position plus one full time support staff. The financing will be a cooperative effort between the present funding level at MSU for the dairy industry and an additional fee from the dairymen.

Montana State University:

Salary:	10,500
Benefits	2,520
Operations:	4,000
Office Space:	
Subtotal	17,020

Dairy Industry:

DHIA	6,000
Dairy check off	
\$0.02/# of milk	70,000
TOTAL	\$93,020

EX - 6
DATE 2/16/93
HB 516

House Bill No. 516

Fiscal Year '94 - Montana Dairy Program Funding

Assessment on Class I milk needed: 18.46¢/cwt

1992 Class I packaged lbs. bottled by Montana processing plants:
200,557,734

Funds needed to be generated: \$370,246.00 (see below)

Special Source Revenue Funding - - -
allocated for:

1.	Milk Inspection Program (Dept. of Livestock)	
	General Fund Current Level	\$187,551
	Replacing General Fund \$	
2.	Diagnostic lab fees (Dept. of Livestock)	
	General Fund Current Level	\$ 85,000
	Replacing General Fund \$	
3.	Centralized Services Division (Dept. of Livestock) Portion	
	General Fund Current Level	\$ 27,695
	Replacing General Fund \$	
4.	M.S.U. Dairy Extension Service DHIA - Position Funding	
		\$ 70,000
Total		= \$370,246

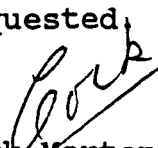
HB 516

Mr. Chairman and members of the committee, for the record my name is Cork Mortensen, Executive Secretary to the Board of Livestock. On behalf of that Board I urge you to support HB 516.

While in its formative phase, Department of Livestock personnel met with the author of this legislation, industry representatives and Department of Commerce personnel. Our concerns about implementation of this legislation have been addressed to our satisfaction.

As written, HB 516 relieves the general fund by allowing the regulated dairy industry and not the general public to support the necessary industry regulators. At the same time it allows the Department of Livestock - Milk Inspection Program to properly safeguard the public from potential substandard products. We believe this to be a good piece of legislation which merits the approval of this committee.

Thank you for your time and consideration. I should be happy to respond to any questions or furnish more information if requested.


Cork Mortensen, Executive Secretary
To the Board of Livestock

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Agriculture COMMITTEE BILL NO. ^{HB} 516
DATE Feb 16, 1993 SPONSOR(S) DeBruecker
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<u>James Rempel</u>	Public Safety Div DOC	<u>info</u>	
<u>Garry Kaufman</u>	Montana Dairyman Assn Billings	✓	
<u>Jim Zule</u>	Montana Dairyman Assn	✓	
<u>Gary Leisner</u> ^{GARY LEISNER}	Dairy Farmer	✓	
<u>STEVE UHIN DYKEN</u>	MIT DHIA	✓	
<u>Jim Moss</u>	Montana Dairyman Assn	✓	
<u>Dick C. Flikken</u> ^{County Extension Director}	Agricultural Preservation Association	✓	
<u>Joe Brennan</u>	Montana Dairy Farm	✓	
<u>Frank C. Brennan</u>	Montana Dairy Farm	✓	
<u>Ben Kleinman</u>	Montana Dairy Farm	✓	
<u>Cathy Brennan</u>	MDA	✓	
<u>Mike Kerkhuff</u>	MDA	✓	
<u>Robert Kraft</u>	MDA	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON AGRICULTURE, LIVESTOCK, & IRRIGATION

Call to Order: By Senator Rea, on March 8, 1993, at 3 p.m.

ROLL CALL

Members Present:

Sen. Jack "Doc" Rea, Chair (D)
Sen. Francis Koehnke, Vice Chair (D)
Sen. Gary Aklestad (R)
Sen. Tom Beck (R)
Sen. Betty Bruski-Maus (D)
Sen. Mike Halligan (D)
Sen. Bob Pipinich (D)

Members Excused: Sen. Devlin

Members Absent: Sen. Burnett and Sen. Forrester

Staff Present: Doug Sternberg, Legislative Council
David Martin, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 193, HB 516, HB 535
Executive Action: None

HEARING ON HB 193

Opening Statement by Sponsor:

Rep. Tuss, District 35, said HB 193 would upgrade outdated portions of previous law and is a good example of sound produce inspection protocol. She said the Montana Retailers Association, Montana Independent Retailers, Potato Growers, and Independent Cherry and Apple Growers support HB 193. Rep. Tuss said amendments would be proposed during the hearing to address concerns of various groups.

If a person had a share crop lease they should be able to change over to a cash lease before the renewal date.

Sen. Aklestad said the fiscal note does not reflect that, and asked if there would be as much money generated from new cash leases as would be lost from old cash leases. Rep. Foster said the negotiation process would neutralize the money situation. He said the state could lose more money by allowing irrigation equipment to be removed from state lands.

Sen. Halligan asked what type of notification the lessee needed to give DSL before making substantial improvements to state land. Mr. Hagener said the lessee must file an Improvement Request Form. The improvement must be approved by the DSL in advance and an Environmental Assessment (EA) must be done. Sen. Halligan asked how long that process had been in effect. Mr. Hagener said at least since 1979, to the best of his knowledge.

Sen. Koehnke asked Mr. Hagener if he agreed with Rep. Foster that a lessee could change from a share lease to a cash lease under HB 535. Mr. Hagener said a lessee already had that ability. He said current law required a 1/4 crop share basis at the time of renewal which does not give the department flexibility to renew on a cash basis. The DSL does have the authority to negotiate on a cash basis on a lease that has a crop share.

Sen. Koehnke asked if a person could renew their lease at anytime. Mr. Hagener said no renewal only occurs once every 10 years. However, if a person has a crop share lease they may renegotiate to change their lease before the 10 years is up.

Closing by Sponsor:

Rep. Foster said from his perspective the intent of HB 535 is to allow crop share lessees to be converted to cash leases without hardship or fiscal impact.

Sen. Koehnke agreed to carry HB 535.

HEARING ON HB 516

Opening Statement by Sponsor:

Rep. DeBruycker, District 13, said HB 516 was a "self-help" bill. The Montana Dairy Association has been faced with funding cuts and are willing to assume responsibility for funding the milk inspection and dairy research programs themselves. The fee would be 18.46 cents per 100 weight of number one milk which would represent a 1.6 cent increase on a gallon of milk to the consumer. Of the money raised from this fee, approximately \$300,000 would go to the Department of Livestock and \$70,000 would go to Montana State University to the Dairy Extension Service.

Proponents' Testimony:

Ted Doney, Montana Dairyman's Association, said HB 516 was proposed by the Montana Dairyman. He said funding for the Department of Livestock, Milk and Egg Division and the Milk Inspection Program are currently funded by general fund money. The Association was concerned that funding could be cut from the general fund and HB 516 would protect those programs through earmarked fees. The fee would be assessed through an existing system. The Board of Milk Control regulates milk in Montana and was already funded by assessments on milk processors. 18.46 cents per 100 weight would be added to that fund. HB 516 would result in a 1.6 cent per gallon increase at the retail level. Mr. Doney provided a breakdown on the funds for HB 516 (Exhibit #3). He also presented a letter submitted to the House Chair of the Ag Committee (Exhibit #4) and a fact sheet concerning HB 516 (Exhibit #5).

Steve Van Dyken, President of Dairy Herd Improvement Association (DHOW), submitted testimony (Exhibit #6) supporting HB 516.

Dick Flikkema, Country Classic Dairies, supported HB 516.

Cork Mortenson, Department Of Livestock, supported HB 516. (Exhibit #7)

Jim Kembel, Department of Commerce, supported HB 516.

John Bloomquist, Montana Stockgrowers and Montana Woolgrowers, supported HB 516.

Opponents' Testimony:

None

Questions From Committee Members and Responses:

Sen. Aklestad asked about the status of the dairy extension program. Mr. Van Dyken said the extension specialist had been lost about 5 years ago and was replaced with a DHIW manager monitoring the DHIW. This position has been cut back several times in the past few years.

Sen. Aklestad said the \$70,000 that goes directly into the University System could be subject to cuts or rechanneled without proper protection. He asked if the Association had considered this. Ted Doney said the Association would resist such changes. MSU is the only land grant college in the nation without a dairy extension service, but the Association was willing to take that chance and leave HB 535 as is.

Sen. Beck said another option would be to send the funds to another agency and have that agency send it to MSU, thus ensuring the funds would not be lost. Mr. Doney said HB 516 essentially does that. He said he was open to other solutions which would ensure the monies go directly to the desired program.

SENATE AGRICULTURE, LIVESTOCK, & IRRIGATION COMMITTEE

March 8, 1993

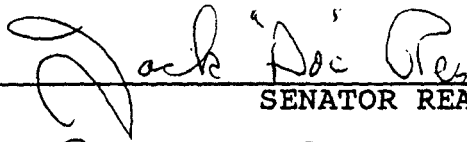
Page 9 of 9

Closing by Sponsor:

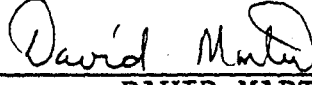
Rep. DeBruycker said HB 516 is a tax regardless of how you look at it and will ultimately come back to the consumer. He said the milk industry has been "robbed" for quite a few sessions. They need this inspection to maintain a healthy dairy industry. He said MSU would try to protect the earmarked funds and that the Milk Control Board would also monitor the funds.

ADJOURNMENT

Adjournment: Meeting adjourned at 2:23 p.m.



SENATOR REA, Chair



DAVID MARTIN, Secretary

JR/dm

SENATE AGRICULTURE

EXHIBIT NO. 3DATE 3-8-93BILL NO. HIB 516House Bill No. 516

Fiscal Year '94 - Montana Dairy Program Funding

Assessment on Class I milk needed: 18.46¢/cwt

1992 Class I packaged lbs. bottled by Montana processing plants:
200,557,734

Funds needed to be generated: \$370,246.00 (see below)

Special Source Revenue Funding - - -
allocated for:

1.	Milk Inspection Program (Dept. of Livestock)	
	General Fund Current Level	\$187,551
	Replacing General Fund \$	
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	General Fund Current Level	\$ 85,000
	Replacing General Fund \$	
3.	Centralized Services Division (Dept. of Livestock) Portion	
	General Fund Current Level	\$ 27,695
	Replacing General Fund \$	
4.	M.S.U. Dairy Extension Service DHIA - Position Funding	\$ 70,000
Total		= \$370,246



SENATE AGRICULTURE

EXHIBIT NO. 4

DATE 3-8-93

BILL NO. HR 535

16 February, 1993

COPY

Representative Vernon Keller, Chairman
Montana House of Representatives
Agriculture, Livestock and Irrigation Committee
Capitol Station
Helena, Montana 59620

Dear House Agriculture, Livestock and Irrigation Committee:

Thank you for the opportunity to present our statement of position on House Bill #516 introduced and carried by Representative Roger DeBruycker and sponsored by the Montana Dairymen's Association.

This statement of position represents the opinion our Montana cooperative corporation known as DARIGOLD Farms, headquartered in Bozeman and owned 100% by Montana dairy farmers.

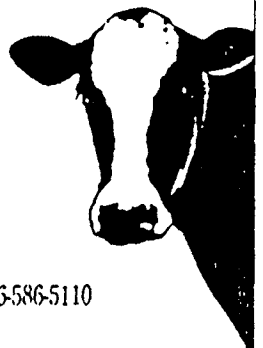
DARIGOLD markets approximately 42% of the fresh cows milk produced in Montana from some 80 Montana dairy farm entities. We believe that HB-516 will provide for the necessary earmarked funding to sustain the dairy industry in Montana at a level necessary to remain certified and in compliance with the "Pasteurized Milk Ordinance" which is mandated and administered by the Food and Drug Administration (FDA) division of United States Department of Agriculture (USDA). This certification compliance is necessary to allow any Montana Grade A milk processing plant or grade A dairy farming unit to have market access for selling milk to Federal agencies such as Malmstrom Air Force Base or selling milk as an export product outside of Montana state boundaries.

The dairy industry generated funds would relieve over 53% of the "General Fund" revenues in the FY 1993 budget for the Department of Livestock. The terminated use of "General Fund" monies is a prerequisite to negate the pressures of maintaining adequate services in Montana to allow the dairy industry to prosper.

Most other Montana agricultural commodity groups under the Department of Livestock have resorted to internal earmarked funding. The dairy industry administrative funds for the Montana Department of Commerce, Milk Control Bureau, are generated in this manner as well. It seems logical for our industry to become totally internally funded to guarantee we can pass muster with the scrutiny placed upon us by the FDA as more and more testing and regulating will be demanded to safeguard the integrity of milk produced and processed in the United States.

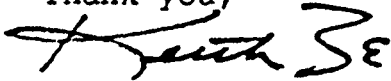
COUNTRY CLASS DAIRIES, INC.

1001 N. 7th Ave. • P.O. Box 968 • Bozeman, Montana 59771-0968 • 406-586-5425 • 800-321-4563 • Fax 406-586-5110



DARIGOLD Farms joins Montana Dairymen's Association as a PROPONENT to this important legislative bill which will relieve fiscal pressures from the "General Fund" budget and grant adequate funding authority to an important Montana agricultural industry. DARIGOLD Farms of Montana solicits your support to also act as PROPONENTS to House Bill #516.

Thank you,



Keith Nye, General Manager, CEO
Country Classic Dairies, Inc.
dba DARIGOLD Farms of Montana



SENATE AGRICULTURE

H.BIT NO. 5

DATE 3-8-93

BILL NO. HB 516

HOUSE BILL 516

Fact Sheet
by Montana Dairymen's Association

House Bill 516 is a bill requested by the Montana dairy industry. It received the support of the Departments of Livestock and Commerce, the Montana Stockgrowers Association and the Montana Woolgrowers Association at the hearing. There was no opposition to the bill.

The bill proposes to levy an assessment on Montana Class I milk produced in Montana of 18.46/cwt, which is the equivalent of about 1.6 cents per gallon of milk sold at the retail level. These assessments would be collected through the existing system of milk production assessments which currently fund the operation of the Milk Control Bureau.

Revenues collected with the assessments will be used to replace general fund revenues which are now paying for the milk inspection and testing programs in the Department of Livestock. For fiscal year '94, this amounts to \$300,246 in general fund revenues which will be saved, as shown by the fiscal note.

In addition, the bill proposes to fund a dairy extension program at the Cooperative Extension Service at MSU, using \$70,000 collected from the milk production assessments.

As can be seen from the fiscal note, the long-term effects of this bill will be to save \$370,230 in general fund needs each year.

NB

516

SENATE AGRICULTURE

- BIT NO. 6

D. : 3-8-93
NO present HB 516 1

Mr. Chairman, and members of the committee. I am Steve Van Dyken, Gallatin Valley dairyfarmer from Manhattan and President of Montana DHIA.

I want to add to the testimony just given and mainly elaborate on the Extension Fieldman and DHIA position. For starters I just want to give some facts and statistics about Montana dairy industry.

- Montana has about 24,000 dairy cows
- There are approximately 200 recognized dairies in Montana
- Montana's dairy cows produce 341 million pounds of milk
- Montana dairy farms generate over 40 million dollars
- Beef, small grains and hay are the only ag industries that generate more dollars than dairy-- with sugar beets being almost equal and potatoes generating less than half the economic impact of dairy
- Dairying in Montana generates more dollars to producers than the sheep or swine industries, which both have support from Montana's Land Grant University through Extension, Research, and Teaching.
- DHIA is an essential part of the registered dairy program and is governed nationally by a certification program, which generates even more dollars to Montana through the sale of breeding stock with proven production records.
- At the present Montana State University is supporting the dairy industry with less than 20,000 dollars. These dollars help support the DHIA program, which also offers some help to non-DHIA members.

We the dairy industry feel it is important to keep our producers educated and able to get extension help when needed to keep up with the constant changes in the dairy industry and help us produce a quality product for the consumer.

The dairy industry is asking the legislature to allow them to finance part of a Dairy Extension Fieldman to be non-tenured, but housed and connected with Montana State University. The major source of financing for this position will be through a milk price adjustment. Our concern is that MSU still budget the \$20,000 to be a part of this position. We are not asking them for anything more, just not to cut any farther a budget that has been repeatedly cut since the closing of the dairy center at MSU.

thank you

Steve Van Dyken

SENATE AGRICULTURE
EXHIBIT NO. 7
DATE 3-8-93
BILL NO. HB 516

HB 516

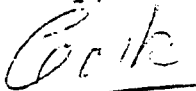
Mr. Chairman and members of the committee, for the record my name is Cork Mortensen, Executive Secretary to the Board of Livestock. On behalf of that Board I urge you to support HB 516.

While in its formative phase, Department of Livestock personnel met with the author of this legislation, industry representatives and Department of Commerce personnel. Our concerns about implementation of this legislation have been addressed to our satisfaction.

As written, HB 516 relieves the general fund by allowing the regulated dairy industry and not the general public to support the necessary industry regulators. At the same time it allows the Department of Livestock - Milk Inspection Program to properly safeguard the public from potential substandard products. We believe this to be a good piece of legislation which merits the approval of this committee.

Thank you for your time and consideration. I should be happy to respond to any questions or furnish more information if requested.

Sincerely,



E.E. "Cork" Mortensen, Executive Secretary
To the Board of Livestock

DATE 3-8-93

page 1 of 2

SENATE COMMITTEE ON AGRICULTUREBILLS BEING HEARD TODAY: HB 193, HB 516, HB 535

Name	Representing	Bill No.	Check One	Support	Oppose
Herb Townsend		535	✓		
W. James Kembel	DOC Public Safety Div	516	✓		
Jerry Leap	Dairy Indust	516	✓		
Gork Mortensen	Dept. of Livestock	516	✓		
DIANA GRAVELEY	GARY & DIANA GRAVELEY LD RANCH	535	✓		
Hugo J. Asbeck	Self	535	✓		
WILL KISSINGER	MT Dept. of Agr.	HB 193	✓		
Bill Williams	South Ranch	535	✓		
John Blomquist	Mt. Stockman	193 516	✓		
Bill Stevens	17th Food Nutt House	193	✓		✓
Dick C. Flicker	COUNTRY CLASSIC DAIRIES	516	✓		
Steve Van Dyke	MT DHIA	516	✓		
Jeff Wagner	DSL	535			
MIKE KOETNIKE	Self	193			✓
Bob Helbert	Westmover	516	✓		
Ted Doney	Mt. Dairyman's Assn.	516	✓		

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

DATE 3/8/93

Page 2 of 2

SENATE COMMITTEE ON AGRICULTURE

BILLS BEING HEARD TODAY: HB 193 - HB 516 - HB 535

Name

Representing

Bill
No.

Check One
Support Oppose

[illegible]

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

MONTANA SENATE 53rd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Chairman Mike Halligan, on April 2, 1993, at 8:00 a.m.

ROLL CALL

Members Present:

Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Spook Stang (D)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)

Members Excused: Sen. Bill Yellowtail (D)

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 495, HB 505, HB 588, HB 645
Executive Action: HB 167, HB 181, HB 193, HB 196, HB 303,
HB 330, HB 350, HB 382, HB 402, HB 413, HB 436, HB 495,
HB 505, HB 516, HB 519, HB 539, HB 555, HB 559, HB 588,
HB 593, HB 645

HEARING ON HB 495

Opening Statement by Sponsor:

Rep. Jim Elliott, House District #51, presented HB 495, which is a bill to extend to restaurants who have a beer and wine license the ability to apply for an off-premises catering license from the Department of Revenue (DOR). This will bring these people in line with bars who currently have that license, and provides that only those establishments who are engaged primarily in the business of providing meals with table service may be able to apply for this endorsement.

EXECUTIVE ACTION ON HB 516DISCUSSION:

Senator Eck asked to reconsider previous action on HB 516 and the amendment passed by this Committee. She has talked to some people who run the milk inspection and dairy extension services program and they would rather not have the bill at all if the word "not" is not taken out of Line 17, Page 3. It will make a difference of approximately \$300,000 to the General Fund.

MOTION/VOTE:

Senator Eck moved to reconsider HB 516. (See minutes of April 1, 1993.) The motion CARRIED UNANIMOUSLY on oral vote.

MOTION:

Senator Eck moved to strike the amendment previously made to HB 588, on Page 3, Line 17, by striking the word, "not".

DISCUSSION:

Senator Gage spoke against the motion. He said there are check-offs on all sorts of agricultural products, and on the extractive industries. He thinks if this industry wants research done, they ought to be willing to provide the funding for it.

Senator Towe agrees with the theory of Senator Gage, but he calls attention to the fiscal note which shows \$70,000 goes into that kind of an account; \$300,000 goes into milk inspection and administration generally. He is not sure they should be asked to pay the \$300,000 as well for the cost of government inspections and services.

Senator Eck said she was told that the difference this would make to the average person who buys milk is 50 cents a year, and pointed out that most other products are not subject to price control.

Senator Gage said he is relatively certain that the other funds are built in for the wholesaler, jobber, and retailer, and are passed on to the consumer. There are a lot of industries in the state who cannot pass their tax costs on to the consumer.

VOTE:

The motion to strike the committee amendment from HB 516 CARRIED on oral vote with Senator Gage voting "NO".

DISCUSSION:

Jeff Martin said there is an incorrect reference in HB 516 on Page 1, Line 24, "81-23-2026" should read, "81-23-2028".

MOTION/VOTE:

Senator Eck moved that HB 516 BE CONCURRED IN WITH THE TECHNICAL CORRECTION. The motion CARRIED on oral vote with Senator Gage voting "NO". (741606SC.Sma)

EXECUTIVE ACTION OF HB 350

DISCUSSION:

Exhibit No. 9 was presented which are amendments to HB 350 requested by Senator Yellowtail.

MOTION:

Senator Harp moved for approval of the amendments presented by Senator Yellowtail, and asked to segregate amendment number 2.

DISCUSSION:

Senator Harp explained why he asked to segregate amendment number 2. He said Line 23, Page 1, of the bill addresses a 10% population increase; amendment number 2 would change that to 5%. Senator Harp believes the chief sponsor of the bill, Rep. Mason, has a problem with this amendment. For a period of a couple of years, 20% of the gross proceeds up to \$1.9 million can be used by local governments; after that 2-year period, July 1, 1995, it goes down to 10%. There is also language dealing with potential construction of a railroad and a new, existing, or expanding coal mine. This is the Tongue River railroad, and the amendments offered at this time would allow them to be eligible for coal impact grants. Senator Harp reminded the Committee that as this bill left the House, there is \$5.5 million in funding, but only \$1.9 million is being divided up now; the rest of the money is in the equation to balance the budget. There are some competing interests in this bill, said Senator Harp in explaining the amendments of Senator Yellowtail.

Jeff Martin said Page 2, (c), talks about local government units located within 50 miles of the impacted area. The amendments by Senator Yellowtail expand that to 100 miles, and the railroads aren't included within the 100 mile area. Michelle LeFurge, Montana Association of Oil and Gas Counties, said it is their understanding that the 50 miles (being amended to 100 miles) only applies to the reference in amendment number 3--that it would have to be a new or expanding line in order to be eligible. A lot of the impacts for new and expanding lines go beyond 50 miles in that part of the country.

Senator Towe asked Ms. LeFurge what she proposes; if the Committee needs to add the amendment as shown in amendment number 3. She agreed; the railroads need to have their own separate designation, according to Ms. LeFurge.

ROLL CALL

SENATE COMMITTEE

TAXATION

DATE _____

4-2-93

NAME

PRESENT

ABSENT

EXCUSED

[illegible]

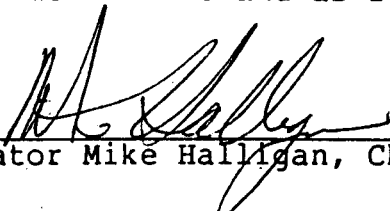
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 2, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 516 (third reading copy -- blue), respectfully report that House Bill No. 516 be amended as follows and as so amended be concurred in.

Signed: 
Senator Mike Halligan, Chair

That such amendments read:

1. Page 1, line 24.

Strike: "(6)"

Insert: "(8)"

-END-

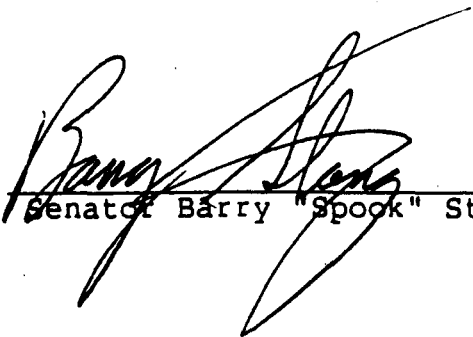
SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 12, 1993 12:40 pm

Mr. Chairman: I move to amend House Bill No. 516 (third reading copy -- blue).

ADOPT

REJECT

Signed: 
Senator Barry "Spook" Stang

That such amendments read:

1. Title, line 6.

Strike: "DAIRY RESEARCH"

Insert: "DIAGNOSTIC LABORATORY FUNCTIONS"

2. Page 1, lines 11 through 25.

Strike section 1 in its entirety

Renumber: subsequent sections

3. Page 3, line 11.

Strike: "18.46"

Insert: "14.97"

4. Page 3, lines 15 through 17.

Following: "LIVESTOCK" on line 15

Strike: remainder of line 15 through "university" on line 17

5. Page 4, lines 23 through 25.

Following: "22" on line 23

Strike: remainder of line 23 through "[section 1]" on line 25

6. Page 5, lines 5 through 8.

Strike section 3 in its entirety

Renumber: subsequent section

7. Page 5, line 11.

Strike: "2"

Insert: "1"

-END-

SENATE

HB 516

HOUSE BILL NO. 516

INTRODUCED BY DEBRUYCKER, DEVLIN, KOEHNKE, BECK, MASON,
HIBBARD, HALLIGAN, REA

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING AN ASSESSMENT
ON CLASS I MILK TO FUND MILK INSPECTION AND DAIRY-RESEARCH
DIAGNOSTIC LABORATORY FUNCTIONS; AMENDING SECTION 81-23-202,
MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY
DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~NEW-SECTION-~~**Section 1.**~~Dairy--extension--program--(1)--~~

~~There-is-established-as-a-part-of-the-cooperative--extension
service--at--Montana--state--university--the-dairy-extension
program--The-purpose-of-the--program--is--to--provide--dairy
extension--and--dairy--herd--improvement--services--to--dairy
producers-in-Montana-~~

~~(2)--The-dairy-extension-program-is--under--the--general
direction--of--the--director--of--the--cooperative-extension
service, who shall appoint a committee of dairy producers to
advise--the--director--in--the--provision--of--the--services
described-in-subsection-(1)-~~

~~(3)--The-dairy-extension-program--is--funded--by--money
deposited--in--the--state-special-revenue-account-provided-for
in-81-23-202(6)(8)-and-by-dairy-herd-improvement-association~~

dues-

Section 1. Section 81-23-202, MCA, is amended to read:

"81-23-202. Licenses -- disposition of income. (1) A
producer, producer-distributor, distributor, or jobber may
not engage in the business of producing or selling milk
subject to this chapter in this state without first having
obtained a license from the department of livestock or, in
the case of milk entering this state from another state or
foreign nation, without complying with the requirements of
the Montana Food, Drug, and Cosmetic Act and without being
licensed under this chapter by the department. The annual
fee for the license from the department is \$2 and is due
before July 1 and shall must be deposited by the department
to the credit of the general fund. The license required by
this chapter is in addition to any other license required by
state law or any municipality of this state. This chapter
shall-apply applies to every part of the state of Montana.

(2) In addition to the annual license fee, the
department shall, in each year, before April 1, for the
purpose of securing funds to administer and enforce this
chapter, levy an assessment upon producers,
producer-distributors, and distributors as follows:

(a) a fee per hundredweight on the total volume of all
milk subject to this chapter produced and sold by a
producer-distributor;

(b) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a producer;

(c) a fee per hundredweight on the total volume of all milk subject to this chapter sold by a distributor, excepting that which is sold to another distributor.

(3) The department shall adopt rules fixing the amount of each fee. The amounts may not exceed levels sufficient to provide for the administration of this chapter. The fee assessed on a producer or on a distributor may not be more than one-half the fee assessed on a producer-distributor.

(4) In addition to the fees established in subsections (1) through (3), the department shall assess a fee of 18.46 14.97 cents per hundredweight on the volume of class I milk produced and sold by a producer to be used for the administration of the milk inspection and milk diagnostic laboratory functions of the department OF LIVESTOCK and--the dairy--extension--and--dairy--herd--improvement-functions-at Montana-state-university. The board shall include this fee in its formulas for fixing by rule the minimum producer, wholesale, jobber, and retail prices for class I milk in 81-23-302.

~~(4)(5)~~ The assessment assessments upon producer-distributors, producers, and distributors shall must be paid quarterly before January 15, April 15, July 15, and October 15 of each year. The amount of the assessment

~~assessments shall must~~ be computed by applying the fee designated by the department and the fee established in subsection (4) to the volume of milk sold in the preceding calendar quarter.

~~(5)(6)~~ Failure of a producer, producer-distributor, or distributor to pay an assessment when due is a violation of this chapter, and his a license under this chapter automatically terminates and is void. A terminated license ~~so-terminated-shall~~ must be reinstated by the department upon payment of a delinquency fee equal to 30% of the assessment which was due.

~~(6)(7)~~ ~~All~~ Except for the assessment provided for in subsection (4), all assessments required by this chapter shall must be deposited by the department in the state special revenue fund. All costs of administering this chapter, including the salaries of employees and assistants, per diem and expenses of board members, and all other disbursements necessary to carry out the purpose of this chapter, shall must be paid out of the board control-board moneys money in that fund.

(8) The assessment provided for in subsection (4) must be deposited by the department in an account in the state special revenue fund. Money in the account must be used to carry out the purposes of Title 81, chapter 22,--and-to-fund the-state's-portion-of-the-dairy-extension--and--dairy--herd

1 improvement-services-provided-for-in-{section-1}.

2 {7}(9) The department may, if it finds the costs of
3 administering and enforcing this chapter can be derived from
4 lower rates, amend its rules to fix the rates at a less
5 amount on or before April 1 in any year."

6 NEW-SECTION ~~Section 3~~ ~~---Codification-----instruction---~~
7 {Section--1} ~~is intended to be codified as an integral part~~
8 ~~of Title 20, chapter 25, part 2, and the provisions of Title~~
9 ~~20, chapter 25, part 2, apply to {section-1}~~

10 NEW SECTION. **Section 2.** Effective date --
11 applicability. [This act] is effective July 1, 1993. Payment
12 of the assessment in [section 2 1] begins with the quarterly
13 payment due on October 15, 1993.

-End-